

<i>SERFF Tracking Number:</i>	<i>ARBB-127311958</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Arkansas Blue Cross and Blue Shield</i>	<i>State Tracking Number:</i>	<i>49251</i>
<i>Company Tracking Number:</i>	<i>10-102GRPAPP R07/11</i>		
<i>TOI:</i>	<i>H16G Group Health - Major Medical</i>	<i>Sub-TOI:</i>	<i>H16G.001A Any Size Group - PPO</i>
<i>Product Name:</i>	<i>Employer Application</i>		
<i>Project Name/Number:</i>	<i>Application/10-102GRPAPP R07/11</i>		

## Filing at a Glance

Company: Arkansas Blue Cross and Blue Shield

Product Name: Employer Application

SERFF Tr Num: ARBB-127311958 State: Arkansas

TOI: H16G Group Health - Major Medical

SERFF Status: Closed-Approved-  
Closed State Tr Num: 49251

Sub-TOI: H16G.001A Any Size Group - PPO

Co Tr Num: 10-102GRPAPP  
R07/11 State Status: Approved-Closed

Filing Type: Form

Reviewer(s): Rosalind Minor  
Disposition Date: 07/07/2011  
Authors: Christi Kittler, Yvonne  
McNaughton, Rita Thatcher, Evelyn  
Laney

Date Submitted: 07/07/2011

Disposition Status: Approved-  
Closed

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

## General Information

Project Name: Application

Status of Filing in Domicile: Pending

Project Number: 10-102GRPAPP R07/11

Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Domicile Status Comments: Arkansas is state  
of domicile.

Explanation for Combination/Other:

Market Type: Group

Submission Type: New Submission

Group Market Size: Small and Large

Group Market Type: Employer

Overall Rate Impact:

Filing Status Changed: 07/07/2011

State Status Changed: 07/07/2011

Deemer Date:

Created By: Evelyn Laney

Submitted By: Evelyn Laney

Corresponding Filing Tracking Number:

PPACA: Not PPACA-Related

PPACA Notes: null

Filing Description:

Attached please find form 10-102GRAPP R07/11 for your review and approval if indicated.

In this revised application we have increased the deductible ranges, increased the copayment amount and added a value formulary under the drug plan.

SERFF Tracking Number: ARBB-127311958 State: Arkansas  
 Filing Company: Arkansas Blue Cross and Blue Shield State Tracking Number: 49251  
 Company Tracking Number: 10-102GRPAPP R07/11  
 TOI: H16G Group Health - Major Medical Sub-TOI: H16G.001A Any Size Group - PPO  
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Also attached is a Flesch Reading Ease score certification signed by an officer of the company as required by Arkansas Code Annotated §23-80-206(d).

I certify that the submission meets the provisions of Arkansas Insurance Department Rule & Regulation 19. I further certify that the Life and Health Guaranty Association Notices required by Arkansas Insurance Department Rule & Regulation 49 and the consumer information notice required by Arkansas Code Annotated §23-79-138 are incorporated in the policies to which these amendments are attached.

Please feel free to contact me at 378-2165 with any questions you may have.

## Company and Contact

### Filing Contact Information

Evelyn Laney, Senior Compliance Analyst exlaney@arkbluecross.com  
 320 West Capitol, Ste 211 501-378-2165 [Phone]  
 Little Rock, AR 72201 501-378-2975 [FAX]

### Filing Company Information

Arkansas Blue Cross and Blue Shield	CoCode: 83470	State of Domicile: Arkansas
601 S. Gaines Street	Group Code:	Company Type:
Little Rock, AR 72201	Group Name:	State ID Number: N/A
(501) 378-2967 ext. [Phone]	FEIN Number: 71-0226428	

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## Filing Fees

Fee Required? Yes  
 Fee Amount: \$50.00  
 Retaliatory? No  
 Fee Explanation: \$50.00  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Arkansas Blue Cross and Blue Shield	\$50.00	07/07/2011	49527702

<i>SERFF Tracking Number:</i>	<i>ARBB-127311958</i>	<i>State:</i>	<i>Arkansas</i>
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<i>Product Name:</i>	<i>Employer Application</i>		
<i>Project Name/Number:</i>	<i>Application/10-102GRPAPP R07/11</i>		

## Correspondence Summary

### Dispositions

<b>Status</b>	<b>Created By</b>	<b>Created On</b>	<b>Date Submitted</b>
Approved-Closed	Rosalind Minor	07/07/2011	07/07/2011

<i>SERFF Tracking Number:</i>	<i>ARBB-127311958</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Arkansas Blue Cross and Blue Shield</i>	<i>State Tracking Number:</i>	<i>49251</i>
<i>Company Tracking Number:</i>	<i>10-102GRPAPP R07/11</i>		
<i>TOI:</i>	<i>H16G Group Health - Major Medical</i>	<i>Sub-TOI:</i>	<i>H16G.001A Any Size Group - PPO</i>
<i>Product Name:</i>	<i>Employer Application</i>		
<i>Project Name/Number:</i>	<i>Application/10-102GRPAPP R07/11</i>		

## Disposition

Disposition Date: 07/07/2011

Implementation Date:

Status: Approved-Closed

HHS Status: HHS Approved

State Review: Reviewed-No Actuary

Comment:

Rate data does NOT apply to filing.

<i>SERFF Tracking Number:</i>	<i>ARBB-127311958</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Arkansas Blue Cross and Blue Shield</i>	<i>State Tracking Number:</i>	<i>49251</i>
<i>Company Tracking Number:</i>	<i>10-102GRPAPP R07/11</i>		
<i>TOI:</i>	<i>H16G Group Health - Major Medical</i>	<i>Sub-TOI:</i>	<i>H16G.001A Any Size Group - PPO</i>
<i>Product Name:</i>	<i>Employer Application</i>		
<i>Project Name/Number:</i>	<i>Application/10-102GRPAPP R07/11</i>		

<b>Schedule</b>	<b>Schedule Item</b>	<b>Schedule Item Status</b>	<b>Public Access</b>
<b>Supporting Document</b>	Flesch Certification	Approved-Closed	Yes
<b>Supporting Document</b>	Application	Approved-Closed	Yes
<b>Supporting Document</b>	PPACA Uniform Compliance Summary	Approved-Closed	Yes
<b>Form</b>	Application	Approved-Closed	Yes

SERFF Tracking Number:	ARBB-127311958	State:	Arkansas
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TOI:	H16G Group Health - Major Medical	Sub-TOI:	H16G.001A Any Size Group - PPO
Product Name:	Employer Application		
Project Name/Number:	Application/10-102GRPAPP R07/11		

## Form Schedule

**Lead Form Number: 10-102GRPAPP R07/11**

Schedule Item	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
Approved-Closed	10-102GRPAPP R07/11	Application/Enrollment Form	Application	Revised	Replaced Form #: 10-102GRPAPP R07/11 Previous Filing #: 10-102GRPAPP R10/10	43.000	10-102GrpApp R07-11.pdf



**Arkansas  
BlueCross BlueShield**  
An Independent Licensee of the Blue Cross and Blue Shield Association

**EMPLOYER APPLICATION**  
**[TRUST PARTICIPATION AGREEMENT]**  
**[Blues Enroll] [E-Exchange][Electronic Transfer]**

[Renewal] APPLICATION by:

(hereinafter called "Policyholder")

for a Group Policy covering the employees of the Policyholder and the eligible dependents of such employees. The Policyholder intends hereby to establish and maintain an employee benefit plan (the "Plan") for the Policyholder's employees and eligible dependents, to contribute to the cost of the Plan, and to actively promote the Plan to the Policyholder's employees.

**[SECTION 1.] GROUP INFORMATION**

Legal Name of Business:

D/B/A:

Street Address:

City, State, Zip:

County:

Mailing Address: (if different from Street)

City, State, Zip:

Telephone #:

Fax #:

Fed. Tax I.D. #:

Business Type: [Sole Proprietorship] [Legal Partnership]  
[Corporation] [Government Entity]

Exec. Contact:

E-Mail:

Group Administrator:

E-Mail:

Primary SIC Code:

SIC Description:

Agent:

Agent's Lic #:

Agent's Company:

Agent's Tax Id:

**[SECTION 2.] POLICYHOLDER AS PLAN ADMINISTRATOR**

The Policyholder, as Plan Administrator, assumes responsibility for the accuracy of information presented to Arkansas Blue Cross and Blue Shield ("ABCBS"), including all information on the employment status and eligibility of individuals to be covered under the Plan, as well as medical information provided with respect to each such individual. The Policyholder agrees that if misrepresentations are made in any of the information provided for rating or in this Group Application or any of the materials submitted with it, including, but not limited to, individual applications and medical information, then ABCBS may cancel or rescind this Group Policy. The Policyholder further agrees that if misrepresentations or false or misleading information is presented in filing of any claims hereunder ("improper claims"), ABCBS may cancel or rescind the coverage of any individual involved in presenting such a claim. Further, ABCBS may cancel or rescind the entire Group Policy if the Policyholder or any representative of the Policyholder knew or should have known of the improper claims, or if the Policyholder's action or inaction contributed to presentation of improper claims.

**[SECTION 3.] PROXY**

The Policyholder hereby appoints the Board of Directors ("Board") of Arkansas Blue Cross and Blue Shield ("ABCBS"), as its proxy to act on its behalf at all meetings of members of ABCBS. This appointment shall include such persons as the Board may designate by resolution to act on its behalf. This proxy gives the Board, or its designee, full power to vote for the Policyholder on all matters that may be voted upon at any meeting. The annual meeting of Members is held each year at the home office of ABCBS located at 601 S. Gaines Street, Little Rock, Arkansas, on the third Monday of March, at 1:00 p.m. If the third Monday of March is a legal holiday, then the meeting will be at the same time and place on the next day after, which is not a legal holiday. A special meeting may be called upon notice mailed not less than ten (10) or more than sixty (60) days prior to such meeting. This proxy, unless revoked, shall remain in effect during the Policyholder's membership in ABCBS. The Policyholder may revoke this proxy in writing by advising ABCBS, attention Legal Division, of such at least five (5) days prior to any meeting. The Policyholder may also revoke its proxy by attending and voting in person at any Members' meeting.

**[SECTION 4.] BENEFIT SELECTION****[CARVE-OUT HSA]**

Employers may select a Blue-by-design HSA benefit option for one class of employees and pair it with a PPO benefit option for any other class of employees.

**REQUESTED EFFECTIVE DATE, PENDING APPROVAL IS:** \_\_\_\_\_

Effective Date is [first of the month][fifteenth of the month] following the Waiting Period

[Is Waiting Period for Initial Enrollment Waived? [Yes][No] ]

[Date of Open Enrollment \_\_\_\_\_]

*[If a month is not specified, the Group's Open Enrollment will be the month prior to the Group's renewal date.]*

Class	Class Description	Waiting Period	Contribution		
		[0 – 12 months] [other]	PPO Employee	% Dependent	%
			HSA Employee	% Dependent	%

Note: The Employer must pay a minimum of 50% of the Employee premium. This Policy may be terminated by the company if the Policyholder fails to contribute the percentage of Employees' premium specified above.

**Maximum Dependent Age [26-27]****Mandated Mental Health Parity [Yes][No]**

Please indicate whether a HRA, or mechanisms utilized to reduce the employee's portion of health plan costs, is either in place or planned to be purchased. **[Yes][No]**

Rates offered for this plan are contingent on assertions submitted by the insurance applicant (or its agent) that there is no HRA or other funding mechanism in place, nor intent to purchase such an arrangement. Upon evidence to the contrary, the group health plan is subject to termination.

**[BLUE-BY-DESIGN HSA]****[Annual HSA Contribution by Tier:]**

Employee Only: \_\_\_\_\_ Employee/Spouse: \_\_\_\_\_ Employee/Child: \_\_\_\_\_ Family: \_\_\_\_\_

**HSA Contribution Frequency:** [Annual] [Monthly] [Semi-Monthly]

**Deductible:**

Individual In-Network: [\$1,200\*-\$6,000] [Aggregate-Embedded] Family In-Network: [\$2,400\*-\$10,800]

Individual Out-of-Network: [\$2,400-\$10,800] [Aggregate-Embedded] Family Out-of-Network: [\$4,800-\$21,600]

**Coinsurance**

In-Network [80%-100%] Out-of-Network [60%-80%]

**Calendar Year Coinsurance Max:**

Individual In-Network: [\$0-\$10,000\*] [Aggregate-Embedded] Family In-Network: [\$0 - \$20,000\*]

Individual Out-of-Network [\$8,000 – Unlimited] [Aggregate-Embedded] Family Out-of-Network [\$16,000 – Unlimited]

*\*Adjusted annually for inflation each January 1, in accordance with the provisions of Section 223 of the Internal Revenue Code of the United States of America as amended*

**Lifetime Maximum:** Unlimited **Wellness:** [Traditional][Declined][Health Care Reform]

**Optional Benefits:**

Maternity [Elected] [Declined] [Air Ambulance [\$10,000]]

[Blue Card]

**Drug Coverage:** [Standard Formulary - Subject to Deductible [+ Coinsurance]]

[Value Formulary – Subject to Deductible + Coinsurance]

[Essential Care Formulary - Subject to Deductible [+ Coinsurance]] [No Coverage]

*[Based on actuarial review, this drug benefit option [is] [is non-] creditable to the standard Medicare Part D prescription coverage.]*

**Arkansas Mandated Offer Benefit Riders:****You Must Elect or Reject Each Rider**

Mammography [Elect] [Reject] [Substance Abuse [Elect] [Reject]] [Mental Health Parity [Elect][Reject]]

[Psychiatric Condition [Elect] [Reject]] TMJ\* [Elect] [Reject] [Hearing Aid [Elect][Reject]]

*\*Rejection of the TMJ Benefit Rider means covered benefits provided to Covered Persons will not include temporomandibular joint disorders (TMJ) or craniomandibular disorders.*



## [SECTION 4.] BENEFIT SELECTION

### [Life, AD&D and STD Coverage]

[ \$15,000 - \$500,000 Group Life and AD&D ] [ STD [1-15/4-15/13-26] [\$50-\$1500 Flat] [Other]]\* [None]]

*[\*Must have life coverage to be eligible for STD.]*

[Life and AD&D benefits reduce 33 1/3% of the pre-age 65 amount at age 65 and 70, and terminate at retirement. An employee must be actively at work on his effective date for his life and AD&D insurance to take effect. STD coverage is non-contributory and requires 100% participation to meet eligibility guidelines.]

[USable Life is an independent company and operates separately from Arkansas Blue Cross and Blue Shield. USable Life does not sell or service Arkansas Blue Cross Blue Shield products. USable Life is solely responsible for life insurance. [Life, AD&D and STD is provided through USable Life.]]

**[Term Life and AD&D through USable Life is not Provided.]**

### [Rates]

If there is an agent or broker involved in this coverage transaction they may receive compensation from Arkansas Blue Cross and Blue Shield, or one of its affiliates, for his or her services related to the placement of this coverage. Any such compensation is included in the premium paid by the covered person. For more information on the compensation involved in this transaction, please direct your inquiry to the agent or broker.

### [PREFERRED PROVIDER ORGANIZATION (PPO)]

<b>Deductible:</b>	[ \$50 - \$5,000 ]	[Deductible Carryover [Yes / No] ]
<b>Family Deductible :</b>	[2 - 3] per family	Basis: [Accumulated – Fulfillment]
<b>Coinsurance:</b>	[100%-70% / 80%-50%]	
<b>In-Network Calendar Year Coinsurance Max:</b>	[\$0 - \$10,000] [Other]	
<b>Family Calendar Year Coinsurance Max:</b>	[2-3] per family	Basis: [Accumulated – Fulfillment]
<b>Out-of-Network Calendar Year Coinsurance Max:</b>	[\$0 - \$20,000] [Unlimited]	
<b>Lifetime Maximum:</b> Unlimited	<b>Wellness:</b> [Traditional][Declined][Health Care Reform]	

**Prescription Drug Rider Plan:** [2 Tier Copay Plan [\$3-\$20/\$10-\$20]] [3 Tier Copay Plan [\$3-\$20/\$10-\$75/\$10-\$100] ] [3 Tier Copay + Coins Plan [\$3-\$20/\$10-\$40/\$10-\$60 + 20%]] [4 Tier Copay Plan [\$3-\$20/\$10-\$75/\$10-\$100/\$10-\$200]] [4 Tier Copay Plan [\$3-\$20/\$10-\$100/\$10-\$200/100%]]

[Mail Order Drug [30-102 day supply]] [1,2, 3 Copayments] [None] [Other][Value Formulary][Standard Formulary]

*[Based on actuarial review, this drug benefit option [is] [is non-]creditable to the standard Medicare Part D prescription coverage.]*

### PPO Optional Benefits:

[[Inpatient Copay [\$50-\$1000] [None]]	Maternity [Elected] [Declined]
[Office Visit Copayment [\$20-\$50] [None] ]	[Blue Card]
[Primary/Specialty Office Visit Copayment [\$20-\$50/\$25-\$100]]	[ER Copayment [\$50 -\$500] ]
Supplemental Accidental Endorsement [Elected] [Declined]	[Air Ambulance \$10,000]

### Arkansas Mandated Offer Benefit Riders:

#### You Must Elect or Reject Each Rider

Mammography [Elect] [Reject]	[Substance Abuse [Elect] [Reject]]
[Psychiatric Condition [Elect] [Reject]]	TMJ* [Elect] [Reject]
[Hearing Aid [Elect][Reject]]	[Mental Health Parity [Elect][Reject]]

*\*Rejection of the TMJ Benefit Rider means covered benefits provided to Covered Persons will not include temporomandibular Joint disorders (TMJ) or craniomandibular disorders.*

### [Life, AD&D and STD Coverage]

[ \$15,000 - \$500,000 Group Life and AD&D ] [ STD [1-15/4-15/13-26] [\$50-\$1500 Flat] [Other]]\* [None]]

*[\*Must have life coverage to be eligible for STD.]*

[Life and AD&D benefits reduce 33 1/3% of the pre-age 65 amount at age 65 and 70, and terminate at retirement. An employee must be actively at work on his effective date for his life and AD&D insurance to take effect. STD coverage is non-contributory and requires 100% participation to meet eligibility guidelines.]

[USable Life is an independent company and operates separately from Arkansas Blue Cross and Blue Shield. USable Life does not sell or service Arkansas Blue Cross Blue Shield products. USable Life is solely responsible for life insurance. [Life, AD&D and STD is provided through USable Life.]]

**[Term Life and AD&D through USable Life is not Provided.]**

**[SECTION 4.] BENEFIT SELECTION (CONTINUED)****[Rates]**

If there is an agent or broker involved in this coverage transaction they may receive compensation from Arkansas Blue Cross and Blue Shield, or one of its affiliates, for his or her services related to the placement of this coverage. Any such compensation is included in the premium paid by the covered person. For more information on the compensation involved in this transaction, please direct your inquiry to the agent or broker.

**[COMPREHENSIVE MAJOR MEDICAL (CMM)]**

**REQUESTED EFFECTIVE DATE, PENDING APPROVAL IS:** \_\_\_\_\_

Effective Date is [first of the month][fifteenth of the month] following the Waiting Period

[Is Waiting Period for Initial Enrollment Waived? [Yes][No] ]

[Date of Open Enrollment \_\_\_\_\_]

*[If a month is not specified, the Group's Open Enrollment will be the month prior to the Group's renewal date.]*

Class	Class Description	Waiting Period	Contribution
		[0 – 12 months] [other]	Employee % Dependent %

*Note: The Employer must pay a minimum of 50% of the Employee premium. This Policy may be terminated by the company if the Policyholder fails to contribute the percentage of Employees' premium specified above.*

**Maximum Dependent Age [26-27]****Mandated Mental Health Parity [Yes][No]**

Please indicate whether a HRA, or mechanisms utilized to reduce the employee's portion of health plan costs, is either in place or planned to be purchased. **[Yes][No]**

Rates offered for this plan are contingent on assertions submitted by the insurance applicant (or its agent) that there is no HRA or other funding mechanism in place, nor intent to purchase such an arrangement. Upon evidence to the contrary, the group health plan is subject to termination.

<b>Deductible:</b>	[\$100 - \$5,000]	[Deductible Carryover [Yes / No] ]
<b>Family Deductible :</b>	[2 - 3] per family	Basis: [Accumulated – Fulfillment]
<b>Coinsurance:</b>	[100%-20%]	
<b>Individual Calendar Year Coinsurance Max:</b>	[\$0 - \$10,000] [Other]	
<b>Family Calendar Year Coinsurance Max:</b>	[2-3] per family	Basis: [Accumulated – Fulfillment]
<b>Lifetime Maximum:</b> Unlimited		

**Prescription Drug Rider Plan:** [2 Tier Copay Plan [\$3-\$20/\$10-\$20]] [3 Tier Copay Plan[\$3-\$20/\$10-\$75/\$10-\$100]]

[3 Tier Copay + Coins Plan [\$3-\$20/\$10-\$40/\$10-\$60 + 20%] ]

[4 Tier Copay Plan [\$3-\$20/\$10-\$75/\$10-\$100/\$10-\$200]] [4 Tier Copay Plan [\$3-\$20/\$10-\$100/\$10-\$200/100%]]

[Mail Order Drug [30-102 day supply] ] [1,2, 3 Copayments] [None] [ Other][Value Formulary][Standard Formulary]

*[Based on actuarial review, this drug benefit option [is] [is non -]creditable to the standard Medicare Part D prescription coverage]*

**CMM Optional Benefits:**

Maternity [Elected] [Declined]	[Air Ambulance \$10,000]
Supplemental Accidental Endorsement [\$300 - \$500] [Elected] [Declined]	

**Arkansas Mandated Offer Benefit Riders:****You Must Elect or Reject Each Rider**

Mammography [Elect] [Reject]	[Substance Abuse [Elect] [Reject]]
[Psychiatric Condition [Elect] [Reject]]	TMJ* [Elect] [Reject]
[Hearing Aid [Elect] [Reject]]	[Mental Health Parity [Elect][Reject]]

\*Rejection of the TMJ Benefit Rider means covered benefits provided to Covered Persons will not include temporomandibular joint disorders (TMJ) or craniomandibular disorders.

**[SECTION 4.] BENEFIT SELECTION (CONTINUED)****[Life, AD&D and STD Coverage]**

[ \$15,000 - \$500,000 Group Life and AD&D ] [ STD [1-15/4-15/13-26] [\$50-\$1500 Flat] [Other]]\* [None]]

*[\*Must have life coverage to be eligible for STD.]*

[Life and AD&D benefits reduce 33 1/3% of the pre-age 65 amount at age 65 and 70, and terminate at retirement. An employee must be actively at work on his effective date for his life and AD&D insurance to take effect. STD coverage is non-contributory and requires 100% participation to meet eligibility guidelines.]

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**[Term Life and AD&D through USable Life is not Provided.]**

**[Rates]**

If there is an agent or broker involved in this coverage transaction they may receive compensation from Arkansas Blue Cross and Blue Shield, or one of its affiliates, for his or her services related to the placement of this coverage. Any such compensation is included in the premium paid by the covered person. For more information on the compensation involved in this transaction, please direct your inquiry to the agent or broker.

**[PREFERRED PROVIDER ORGANIZATION (PPO)]**

**REQUESTED EFFECTIVE DATE, PENDING APPROVAL IS:** \_\_\_\_\_

Effective Date is [first of the month][fifteenth of the month] following the Waiting Period.

[Is Waiting Period for Initial Enrollment Waived? [Yes][No] ]

[Date of Open Enrollment \_\_\_\_\_]

*[If a month is not specified, the Group's Open Enrollment will be the month prior to the Group's renewal date.]*

Class	Class Description	Waiting Period	Contribution
		[0 – 12 months] [other]	Employee % Dependent %

Note: The Employer must pay a minimum of 50% of the Employee premium. This Policy may be terminated by the company if the Policyholder fails to contribute the percentage of Employees' premium specified above.

**Maximum Dependent Age [26-27]****Mandated Mental Health Parity [Yes][No]**

Please Indicate whether a HRA, or mechanisms utilized to reduce the employee's portion of health plan costs, is either in place or planned to be purchased. **[Yes][No]**

Rates offered for this plan are contingent on assertions submitted by the insurance applicant (or its agent) that there is no HRA or other funding mechanism in place, nor intent to purchase such an arrangement. Upon evidence to the contrary, the group health plan is subject to termination.

<b>Deductible:</b>	[ \$50 - \$5,000 ]	[Deductible Carryover [Yes / No] ]
<b>Family Deductible :</b>	[2 - 3] per family	Basis: [Accumulated – Fulfillment]
<b>Coinsurance:</b>	[100%-70% / 80%-50%]	
<b>In-Network Calendar Year Coinsurance Max:</b>	[\$0 - \$10,000] [Other]	
<b>Family Calendar Year Coinsurance Max:</b>	[2-3] per family	Basis: [Accumulated – Fulfillment]
<b>Out-of-Network Calendar Year Coinsurance Max:</b>	[\$0 - \$20,000] [Unlimited]	
<b>Lifetime Maximum:</b>	Unlimited	

**Wellness:** [Traditional][Declined][Health Care Reform]

**Prescription Drug Rider Plan:** [2 Tier Copay Plan [\$3-\$20/\$10-\$20]] [3 Tier Copay Plan [\$3-\$20/\$10-\$75/\$10-\$100] ]

[3 Tier Copay + Coins Plan [\$3-\$20/\$10-\$40/\$10-\$60 + 20%]]

[4 Tier Copay Plan [\$3-\$20/\$10-\$75/\$10-\$100/\$10-\$200]]

[4 Tier Copay Plan [\$3-\$20/\$10-\$100/\$10-\$200/100%]]

[Mail Order Drug [30-102 day supply]] [1,2, 3 Copayments] [None] [Other] [Value Formulary][Standard Formulary]

*[Based on actuarial review, this drug benefit option [is] [is non-]creditable to the standard Medicare Part D prescription coverage.]*

**PPO Optional Benefits:**

[Inpatient Copay [\$50-\$1000] [None]]	Maternity [Elected] [Declined]
[Office Visit Copayment [\$20-\$50] [None] ]	[Blue Card]
[Primary/Specialty Office Visit Copayment [\$20-\$50 / \$25-\$100] ]	[ER Copayment [\$50 -\$500] ]
Supplemental Accidental Endorsement [Elected] [Declined]	[Air Ambulance \$10,000]

**[SECTION 4.] BENEFIT SELECTION (CONTINUED)****Arkansas Mandated Offer Benefit Riders:****You Must Elect or Reject Each Rider**

Mammography [Elect] [Reject] [Substance Abuse [Elect] [Reject]] [Mental Health Parity [Elect][Reject]]

[Psychiatric Condition [Elect] [Reject]] TMJ\* [Elect] [Reject] [Hearing Aid [Elect][Reject]]

\*Rejection of the TMJ Benefit Rider means covered benefits provided to Covered Persons will not include temporomandibular joint disorders (TMJ) or craniomandibular disorders.**[Life, AD&D and STD Coverage]**

[\$15,000 - \$500,000 Group Life and AD&amp;D] [STD [1-15/4-15/13-26] [\$50-\$1500 Flat] [Other]]\* [None]]

[\*Must have life coverage to be eligible for STD.]

[Life and AD&D benefits reduce 33 1/3% of the pre-age 65 amount at age 65 and 70, and terminate at retirement. An employee must be actively at work on his effective date for his life and AD&D insurance to take effect. STD coverage is non-contributory and requires 100% participation to meet eligibility guidelines.]

[USable Life is an independent company and operates separately from Arkansas Blue Cross and Blue Shield. USable Life does not sell or service Arkansas Blue Cross Blue Shield products. USable Life is solely responsible for life insurance. [Life, AD&D and STD is provided through USable Life.]] **[Term Life and AD&D through USable Life is not Provided.]**

**[Rates]**

If there is an agent or broker involved in this coverage transaction they may receive compensation from Arkansas Blue Cross and Blue Shield, or one of its affiliates, for his or her services related to the placement of this coverage. Any such compensation is included in the premium paid by the covered person. For more information on the compensation involved in this transaction, please direct your inquiry to the agent or broker.

**[BLUE~BY~DESIGN HSA]****REQUESTED EFFECTIVE DATE, PENDING APPROVAL IS:** \_\_\_\_\_

Effective Date is [first of the month][fifteenth of the month] following the Waiting Period.

[Is Waiting Period for Initial Enrollment Waived? [Yes][No]] [Date of Open Enrollment \_\_\_\_\_]

[If a month is not specified, the Group's Open Enrollment will be the month prior to the Group's renewal date.]

Class	Class Description	Waiting Period	Contribution
		[0 – 12 months]	Employee % Dependent %
		[other]	

Note: The Employer must pay a minimum of 50% of the Employee premium. This Policy may be terminated by the company if the Policyholder fails to contribute the percentage of Employees' premium specified above.

**Maximum Dependent Age [26-27]****Mandated Mental Health Parity [Yes][No]**

Please Indicate whether a HRA, or mechanisms utilized to reduce the employee's portion of health plan costs, is either in place or planned to be purchased. **[Yes][No]**

Rates offered for this plan are contingent on assertions submitted by the insurance applicant (or its agent) that there is no HRA or other funding mechanism in place, nor intent to purchase such an arrangement. Upon evidence to the contrary, the group health plan is subject to termination.

**[Annual HSA Contribution by Tier:]**

Employee Only: Employee/Spouse: Employee/Child: Family:

**HSA Contribution Frequency:** [Annual] [Monthly] [Semi-Monthly]**Deductible:**

Individual In-Network: [\$1,200\*-\$6,000] [Aggregate-Embedded] Family In-Network: [\$2,400\*-\$10,800]  
 Individual Out-of-Network: [\$2,400-\$10,800] [Aggregate-Embedded] Family Out-of-Network: [\$4,800-\$21,600]

**Coinurance**

In-Network [80%-100%] Out-of-Network [60%-80%]

**Calendar Year Coinurance Max:**

Individual In-Network: [\$0-\$10,000\*] [Aggregate-Embedded] Family In-Network: [\$0 - \$20,000\*]  
 Individual Out-of-Network [\$8,000 – Unlimited] [Aggregate-Embedded] Family Out-of-Network [\$16,000 – Unlimited]

\*Adjusted annually for inflation each January 1, in accordance with the provisions of Section 223 of the Internal Revenue Code of the United States of America as amended

**Lifetime Maximum:** Unlimited **Wellness:** [Traditional][Declined][Health Care Reform]**Optional Benefits:**

Maternity [Elected] [Declined] [Air Ambulance \$10,000]

[Blue Card]

## [SECTION 4.] BENEFIT SELECTION (CONTINUED)

**Drug Coverage:** [Standard Formulary - Subject to Deductible [+ Coinsurance]] [Value Formulary – Subject to Deductible + Coinsurance] [Essential Care Formulary - Subject to Deductible [+ Coinsurance]] [No Coverage]

*[Based on actuarial review, this drug benefit option [is] [is non-] creditable to the standard Medicare Part D prescription coverage.]*

### Arkansas Mandated Offer Benefit Riders:

#### You Must Elect or Reject Each Rider

Mammography [Elect] [Reject] [ Substance Abuse [Elect] [Reject]] [Mental Health Parity [Elect][Reject]]

[Psychiatric Condition [Elect] [Reject]] TMJ\* [Elect] [Reject] [Hearing Aid [Elect][Reject]]

*\*Rejection of the TMJ Benefit Rider means covered benefits provided to Covered Persons will not include temporomandibular joint disorders (TMJ) or craniomandibular disorders.*

#### [Life, AD&D and STD Coverage]

[\$15,000 - \$500,000 Group Life and AD&D] [STD [1-15/4-15/13-26] [\$50-\$1500 Flat] [Other]]\* [None]]

*[\*Must have life coverage to be eligible for STD.]*

[Life and AD&D benefits reduce 33 1/3% of the pre-age 65 amount at age 65 and 70, and terminate at retirement. An employee must be actively at work on his effective date for his life and AD&D insurance to take effect. STD coverage is non-contributory and requires 100% participation to meet eligibility guidelines.]

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**[Term Life and AD&D through USABLE Life is not Provided.]**

#### [Rates]

If there is an agent or broker involved in this coverage transaction they may receive compensation from Arkansas Blue Cross and Blue Shield, or one of its affiliates, for his or her services related to the placement of this coverage. Any such compensation is included in the premium paid by the covered person. For more information on the compensation involved in this transaction, please direct your inquiry to the agent or broker.

## [SECTION 5.] ATTESTATIONS

There are a number of federal regulations that impact small group business owners, either in requirements to provide health plan benefits or the types of benefits that must be offered. Our goal is to assist you in meeting these requirements, to help us accomplish this we ask that each small group business owner provide us with answers to the questions below.

**COBRA** - Group health plans for employers with 20 or more employees on more than 50% of the business days in the previous calendar year are subject to Cobra. Employers are required to provide qualified beneficiaries an election period during which the beneficiary can elect to continue coverage under the guidelines. We offer the services of a vendor, "Ceridian", to assist you in administering Cobra (no additional cost). Both full time and part time employees are counted to determine if a plan is subject to Cobra. Each part-time employee counts as a fraction of an employee, with the fraction equal to the number of hours worked divided by the number of hours used to determine full time status.<sup>1</sup>

**(Yes\_\_)(No\_\_)** Under the governmental guidelines the group health plan is subject to Cobra, meeting the criteria for 20 or more employees.

**(Yes\_\_)(No\_\_)** If yes, do you wish to use the services of Ceridian?

If no, who will administer Cobra for you? \_\_\_\_\_

**Maternity** - The Pregnancy Discrimination Act of 1978 requires health plans with 15 or more employees to cover pregnancy, childbirth and related conditions. With Arkansas Blue Cross Blue Shield products, we offer maternity coverage as a "rider" for those groups with fewer than 15 employees. In order to ensure we include maternity if required, please answer the question below:

**(Yes\_\_)(No\_\_)** Do you have 15 or more employees, counting both full time and part time employees?

**Medicare Secondary Payer** - If you have employees who are over 65 and enrolled in Medicare, Medicare will pay as "primary" if you have less than 20 employees (note that other criteria may apply as well). If Medicare is primary, we will offer lower "group health plan" rates to your employees who are over 65 and have their Medicare card, but not if Medicare is secondary. The count of employees is determined on whether or not you employed 20 or more full time and part time employees each working day of 20 or more calendar weeks during the current or the previous calendar year.

**(Yes\_\_)(No\_\_)**<sup>2</sup> Under the governmental guidelines discussed above, the group health plan will result in Medicare being the secondary payer, due to meeting the criteria for 20 or more employees as defined above.

## [SECTION 5.] ATTESTATIONS (CONTINUED)

**Mental Health Parity** - An amendment to the Mental Health Parity and Addiction Act of 2008, set to go into effect on October 3<sup>rd</sup>, 2009 will require that certain group health plans and health insurance issuers offer coverage to the same extent for mental health and/or substance abuse disorders as they provide for health coverage. This law does not apply to small group employers, defined as those with no more than 50 full time and part time employees based on the average of the business days in the preceding calendar year.<sup>3</sup>

If the health plan is subject to "Mental Health Parity", the benefits that must be offered will be richer compared to our current plans, with accompanying adjustments in rates. If not required by law to offer mental health parity, the small employer can decide to maintain the current benefit or elect to move to mental health parity as an option.

(Yes\_\_\_) (No\_\_\_) Under the governmental guidelines above the group health plan is subject Mental Health Parity, meeting the criteria for more than 50 employees.

**Medical Loss Ratio** - The determination of Large and Small Groups is based upon the average number of employees employed by the employer on business days during the proceeding calendar year. The Public Health Services Act §2791(e) provides

(1) The term "large employer" means, in connection with a group health plan with respect to a calendar year and a plan year, an employer who employed an average of at least 51 employees on business days during the preceding calendar year and who employs at least 2 employees on the first day of the plan year.

(2) The term "small employer" means, in connection with a group health plan with respect to a calendar year and a plan year, an employer who employed an average of at least 1 but not more than 50 employees on business days during the preceding calendar year and who employs at least 1 employees on the first day of the plan year.

The policyholder is a \_\_\_ large employer \_\_\_ small employer (check one).

**[Grandfather Status** - Our records indicate that your health plan [is not] [is] grandfathered.

**Please confirm if you agree with the grandfathered status as indicated above.**

\_\_\_ Yes, I agree with the status as shown

\_\_\_ No, I disagree with the status as shown because \_\_\_\_\_

**[Non-discrimination Rule** - Our records indicate that your health plan is 'Non-Grandfathered' therefore discrimination based on waiting periods and contribution is prohibited by Section 2716 of the Public Health Services Act:

[Please select one waiting period for your enrollees:

\_\_\_ (Class A: )

\_\_\_ (Class B: ) ]

[Please select one contribution for your enrollees:

\_\_\_ Contribution

\_\_\_ Contribution ] ]

<sup>1</sup> COBRA Handbook 2009, ¶4.03[E][2]; 26 CFR §54.4980B-2 Q/A 5(e).

<sup>2</sup> 42 CFR §411.170.

<sup>3</sup> This method of determining group size may be modified by federal MHP regulations expected late in 2009.]

**[SECTION 6. ] EMPLOYEE INFORMATION, MINIMUM NUMBER OF INSURED EMPLOYEES & MINIMUM PARTICIPATION REQUIREMENTS.**

***Under the Medicare Secondary Payer Rules, it is the Employer's responsibility to annually inform Arkansas Blue Cross of proper employee counts for the purpose of determining payment priority between Medicare and Arkansas Blue Cross. Arkansas Blue Cross is required to furnish these counts to the Centers for Medicare and Medicaid Services (CMS).***

<b>Full-Time =</b> means an active employee with a minimum of 30 hrs/week & 48 weeks/year	<b>In State</b>	<b>OUT OF STATE</b>	<b>TOTAL</b>
Full-Time Employees enrolling (including those satisfying their waiting period within 3 months after the effective date):			
Full-Time Employees waiving (including those satisfying their waiting period within 3 months after the effective date):			
COBRA Continuees (Enrolling)			
Life ONLY Contracts			
Total Enrolling and Waiving			
[New Full-Time Employees who will NOT satisfy the Waiting Period within 3 months after the eff. Date:]			
Part Time / Seasonal / Temporary Employees			
Total # of Employees			

**Minimum Number of Insured Employees.** [To meet small group enrollment guidelines a group must have at least two full-time enrolled employees, of which no more than 50% may reside in the same household.] [To meet large group enrollment guidelines a group must have at least fifty-one full-time enrolled employees. Groups whose enrollment subsequently drops below fifty-one enrolled must be rated as a small group upon renewal]

**Minimum Participation Requirements.** If an employer pays 100% of the employee-only premium, 100% of all full-time employees must be insured. If an employer pays less than 100% of the premium, employees covered through other comprehensive major medical-type coverage may be waived from the eligibility count. 75% of all eligible employees without waivers must be insured, and no less than 50% of the full-time employees must enroll.

**This Policy may be terminated by the Company if the number of insured Employees falls below the minimum number of insured Employees specified above or if the percentage of eligible Employees of the Policyholder covered by the Policy becomes less than the percentage of Employee participation specified above.**

[Special Group Considerations Form # \_\_\_\_\_, Description \_\_\_\_\_]

**[SECTION 7.] [SECURED EMPLOYERS WEBSITE]**

[Our records indicate that you are currently utilizing the Secured Employer Web Site and we hope that site is useful in the administration of your group health plan. We are always looking for feedback and to assist you with the site if needed, our email address is [ewssupport@arkbluecross.com](mailto:ewssupport@arkbluecross.com) or call us toll free at 1-800-800-5641.

Web Administrator: \_\_\_\_\_ Email Address: \_\_\_\_\_]

[Our records indicate that you signed up for the Secured Employer Web Site but have not visited the site and registered to utilize the web functionality. If you need assistance activating your registration, lost the link or need to change the web administrator we can help. Our toll free phone number is 1-800-800-5641 and our email address is [ewssupport@arkbluecross.com](mailto:ewssupport@arkbluecross.com).

Web Administrator: \_\_\_\_\_ Email Address: \_\_\_\_\_]

[ ☐ Yes ☐ No

We have a web site for our small group customers who wish to utilize a "secured" web site which has been very well received by the current users. The site is password protected and all that is required of the group is to have email capability. If you have internet access and wish to utilize the site please mark the "yes" box above, please mark the "no" box if you do not wish to utilize the site at this time.

If you have selected to use the site, please fill in the name of the person who you are designating as "Web Administrator" along with their email address. We will automatically forward a link to this individual shortly after processing this renewal. The link will allow the person to set up their log-on ID and password. In addition to the link, they will receive a guide with detailed instructions on how to use the website.

Web Administrator: \_\_\_\_\_ E-mail Address:]

**[SECTION 8.] SIGNATURES**

This Application is made and delivered in the State of Arkansas and is governed by the laws of Arkansas and the United States of America. This Application is incorporated in and made a part of the Group Policy and Benefit Certificate.

[I hereby apply for the above referenced coverage and agree the group insurance, subject to the terms and conditions of the policies applied for, will take effect as of the next available effective date after approval, provided this application is approved and the premium is received by the home office of Arkansas Blue Cross and Blue Shield. **I also understand that my signature below represents my agreement and acceptance of the premium rate schedule.**]

[I hereby renew the above referenced coverage and agree the group insurance, subject to the terms and conditions of the policies renewed, will take effect as of the renewal date, provided this application is approved and the premium is received by the home office of Arkansas Blue Cross and Blue Shield. **I also understand that my signature below represents my agreement and acceptance of the premium rate schedule.**]

[I understand the Life and Accidental Death & Dismemberment coverage is provided through a policy issued to the Trustee of the USABLE Life Group Insurance Trust, and I hereby [apply for][renew] participation in said trust, which is insured by USABLE Life. A copy of the trust policy is maintained in USABLE Life's home office in Little Rock, Arkansas and is subject to examination by participating employers.]

**Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in connection with an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.**

**1. Policyholder**

Signed at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_  
(City, State)

\_\_\_\_\_  
[full legal name of Policyholder]

By:

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title or Position

**2. Agent**

I hereby certify that all of the information contained in this employer application is correct to the best of my knowledge, and I know nothing unfavorable about this firm or any individual proposed for coverage (except as noted on the employee applications). I have complied with the underwriting rules and regulations and have explained in detail the coverage to the member firm and its employees including the preexisting condition limitations and the qualifications of the effective date provisions. I understand that Arkansas Blue Cross and Blue Shield will have no liability until this application has been approved and the premium is received.

\_\_\_\_\_  
Agent Signature

\_\_\_\_\_  
Insurance License #/Agency Fed. Tax ID#

\_\_\_\_\_  
Agent Printed Name

\_\_\_\_\_  
Date



SERFF Tracking Number:	ARBB-127311958	State:	Arkansas
Filing Company:	Arkansas Blue Cross and Blue Shield	State Tracking Number:	49251
Company Tracking Number:	10-102GRPAPP R07/11		
TOI:	H16G Group Health - Major Medical	Sub-TOI:	H16G.001A Any Size Group - PPO
Product Name:	Employer Application		
Project Name/Number:	Application/10-102GRPAPP R07/11		

## Supporting Document Schedules

	<b>Item Status:</b>	<b>Status</b>
		<b>Date:</b>
<b>Satisfied - Item:</b> Flesch Certification	Approved-Closed	07/07/2011
<b>Comments:</b> See attached.		
<b>Attachment:</b> Flesch Certification Form-10-1-2GRPAPP R07-11.doc.pdf		

	<b>Item Status:</b>	<b>Status</b>
		<b>Date:</b>
<b>Satisfied - Item:</b> Application	Approved-Closed	07/07/2011
<b>Comments:</b> See attached.		
<b>Attachment:</b> 10-102GrpApp R07-11.pdf		

	<b>Item Status:</b>	<b>Status</b>
		<b>Date:</b>
<b>Bypassed - Item:</b> PPACA Uniform Compliance Summary	Approved-Closed	07/07/2011
<b>Bypass Reason:</b> Not PPACA related.		
<b>Comments:</b>		



# Arkansas BlueCross BlueShield

An Independent Licensee of the Blue Cross and Blue Shield Association

**RE:           Arkansas Blue Cross and Blue Shield  
              Employer Application  
              Form No. 10-102GRPAPP R07/11**

## **FLESCH READING EASE CERTIFICATION**

This is to certify that the above referenced document has achieved a Flesch Reading Ease Score average of 43.0 and complies with the requirements of A.C.A. §23-80-201 *et. seq.*, cited as the Life and Disability Insurance Policy Language Simplification Act.

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Name

---

Vice President  
Title

---

July 7, 2011  
Date



**Arkansas  
BlueCross BlueShield**  
An Independent Licensee of the Blue Cross and Blue Shield Association

**EMPLOYER APPLICATION**  
**[TRUST PARTICIPATION AGREEMENT]**  
**[Blues Enroll] [E-Exchange][Electronic Transfer]**

[Renewal] APPLICATION by:

(hereinafter called "Policyholder")

for a Group Policy covering the employees of the Policyholder and the eligible dependents of such employees. The Policyholder intends hereby to establish and maintain an employee benefit plan (the "Plan") for the Policyholder's employees and eligible dependents, to contribute to the cost of the Plan, and to actively promote the Plan to the Policyholder's employees.

**[SECTION 1.] GROUP INFORMATION**

Legal Name of Business:

D/B/A:

Street Address:

City, State, Zip:

County:

Mailing Address: (if different from Street)

City, State, Zip:

Telephone #:

Fax #:

Fed. Tax I.D. #:

Business Type: [Sole Proprietorship] [Legal Partnership]  
[Corporation] [Government Entity]

Exec. Contact:

E-Mail:

Group Administrator:

E-Mail:

Primary SIC Code:

SIC Description:

Agent:

Agent's Lic #:

Agent's Company:

Agent's Tax Id:

**[SECTION 2.] POLICYHOLDER AS PLAN ADMINISTRATOR**

The Policyholder, as Plan Administrator, assumes responsibility for the accuracy of information presented to Arkansas Blue Cross and Blue Shield ("ABCBS"), including all information on the employment status and eligibility of individuals to be covered under the Plan, as well as medical information provided with respect to each such individual. The Policyholder agrees that if misrepresentations are made in any of the information provided for rating or in this Group Application or any of the materials submitted with it, including, but not limited to, individual applications and medical information, then ABCBS may cancel or rescind this Group Policy. The Policyholder further agrees that if misrepresentations or false or misleading information is presented in filing of any claims hereunder ("improper claims"), ABCBS may cancel or rescind the coverage of any individual involved in presenting such a claim. Further, ABCBS may cancel or rescind the entire Group Policy if the Policyholder or any representative of the Policyholder knew or should have known of the improper claims, or if the Policyholder's action or inaction contributed to presentation of improper claims.

**[SECTION 3.] PROXY**

The Policyholder hereby appoints the Board of Directors ("Board") of Arkansas Blue Cross and Blue Shield ("ABCBS"), as its proxy to act on its behalf at all meetings of members of ABCBS. This appointment shall include such persons as the Board may designate by resolution to act on its behalf. This proxy gives the Board, or its designee, full power to vote for the Policyholder on all matters that may be voted upon at any meeting. The annual meeting of Members is held each year at the home office of ABCBS located at 601 S. Gaines Street, Little Rock, Arkansas, on the third Monday of March, at 1:00 p.m. If the third Monday of March is a legal holiday, then the meeting will be at the same time and place on the next day after, which is not a legal holiday. A special meeting may be called upon notice mailed not less than ten (10) or more than sixty (60) days prior to such meeting. This proxy, unless revoked, shall remain in effect during the Policyholder's membership in ABCBS. The Policyholder may revoke this proxy in writing by advising ABCBS, attention Legal Division, of such at least five (5) days prior to any meeting. The Policyholder may also revoke its proxy by attending and voting in person at any Members' meeting.

**[SECTION 4.] BENEFIT SELECTION****[CARVE-OUT HSA ]**

Employers may select a Blue-by-design HSA benefit option for one class of employees and pair it with a PPO benefit option for any other class of employees.

**REQUESTED EFFECTIVE DATE, PENDING APPROVAL IS:** \_\_\_\_\_

Effective Date is [first of the month][fifteenth of the month] following the Waiting Period

[Is Waiting Period for Initial Enrollment Waived? [Yes][No] ]

[Date of Open Enrollment \_\_\_\_\_]

*[If a month is not specified, the Group's Open Enrollment will be the month prior to the Group's renewal date.]*

Class	Class Description	Waiting Period	Contribution		
		[0 – 12 months] [other]	PPO Employee	% Dependent	%
			HSA Employee	% Dependent	%

Note: The Employer must pay a minimum of 50% of the Employee premium. This Policy may be terminated by the company if the Policyholder fails to contribute the percentage of Employees' premium specified above.

**Maximum Dependent Age [26-27]****Mandated Mental Health Parity [Yes][No]**

Please indicate whether a HRA, or mechanisms utilized to reduce the employee's portion of health plan costs, is either in place or planned to be purchased. **[Yes][No]**

Rates offered for this plan are contingent on assertions submitted by the insurance applicant (or its agent) that there is no HRA or other funding mechanism in place, nor intent to purchase such an arrangement. Upon evidence to the contrary, the group health plan is subject to termination.

**[BLUE-BY-DESIGN HSA]****[Annual HSA Contribution by Tier:]**

Employee Only: \_\_\_\_\_ Employee/Spouse: \_\_\_\_\_ Employee/Child: \_\_\_\_\_ Family: \_\_\_\_\_

**HSA Contribution Frequency:** [Annual] [Monthly] [Semi-Monthly]

**Deductible:**

Individual In-Network: [\$1,200\*-\$6,000] [Aggregate-Embedded] Family In-Network: [\$2,400\*-\$10,800]

Individual Out-of-Network: [\$2,400-\$10,800] [Aggregate-Embedded] Family Out-of-Network: [\$4,800-\$21,600]

**Coinsurance**

In-Network [80%-100%] Out-of-Network [60%-80%]

**Calendar Year Coinsurance Max:**

Individual In-Network: [\$0-\$10,000\*] [Aggregate-Embedded] Family In-Network: [\$0 - \$20,000\*]

Individual Out-of-Network [\$8,000 – Unlimited] [Aggregate-Embedded] Family Out-of-Network [\$16,000 – Unlimited]

*\*Adjusted annually for inflation each January 1, in accordance with the provisions of Section 223 of the Internal Revenue Code of the United States of America as amended*

**Lifetime Maximum:** Unlimited **Wellness:** [Traditional][Declined][Health Care Reform]

**Optional Benefits:**

Maternity [Elected] [Declined] [Air Ambulance [\$10,000]]

[Blue Card]

**Drug Coverage:** [Standard Formulary - Subject to Deductible [+ Coinsurance]]

[Value Formulary – Subject to Deductible + Coinsurance]

[Essential Care Formulary - Subject to Deductible [+ Coinsurance]] [No Coverage]

*[Based on actuarial review, this drug benefit option [is] [is non-] creditable to the standard Medicare Part D prescription coverage.]*

**Arkansas Mandated Offer Benefit Riders:****You Must Elect or Reject Each Rider**

Mammography [Elect] [Reject] [Substance Abuse [Elect] [Reject]] [Mental Health Parity [Elect][Reject]]

[Psychiatric Condition [Elect] [Reject]] TMJ\* [Elect] [Reject] [Hearing Aid [Elect][Reject]]

*\*Rejection of the TMJ Benefit Rider means covered benefits provided to Covered Persons will not include temporomandibular joint disorders (TMJ) or craniomandibular disorders.*

## [SECTION 4.] BENEFIT SELECTION

### [Life, AD&D and STD Coverage]

[ \$15,000 - \$500,000 Group Life and AD&D ] [ STD [1-15/4-15/13-26] [\$50-\$1500 Flat] [Other]]\* [None]]

*[\*Must have life coverage to be eligible for STD.]*

[Life and AD&D benefits reduce 33 1/3% of the pre-age 65 amount at age 65 and 70, and terminate at retirement. An employee must be actively at work on his effective date for his life and AD&D insurance to take effect. STD coverage is non-contributory and requires 100% participation to meet eligibility guidelines.]

[USable Life is an independent company and operates separately from Arkansas Blue Cross and Blue Shield. USable Life does not sell or service Arkansas Blue Cross Blue Shield products. USable Life is solely responsible for life insurance. [Life, AD&D and STD is provided through USable Life.]]

**[Term Life and AD&D through USable Life is not Provided.]**

### [Rates]

If there is an agent or broker involved in this coverage transaction they may receive compensation from Arkansas Blue Cross and Blue Shield, or one of its affiliates, for his or her services related to the placement of this coverage. Any such compensation is included in the premium paid by the covered person. For more information on the compensation involved in this transaction, please direct your inquiry to the agent or broker.

### [PREFERRED PROVIDER ORGANIZATION (PPO)]

<b>Deductible:</b>	[ \$50 - \$5,000 ]	[Deductible Carryover [Yes / No] ]
<b>Family Deductible :</b>	[2 - 3] per family	Basis: [Accumulated – Fulfillment]
<b>Coinsurance:</b>	[100%-70% / 80%-50%]	
<b>In-Network Calendar Year Coinsurance Max:</b>	[\$0 - \$10,000] [Other]	
<b>Family Calendar Year Coinsurance Max:</b>	[2-3] per family	Basis: [Accumulated – Fulfillment]
<b>Out-of-Network Calendar Year Coinsurance Max:</b>	[\$0 - \$20,000] [Unlimited]	
<b>Lifetime Maximum:</b> Unlimited	<b>Wellness:</b> [Traditional][Declined][Health Care Reform]	

**Prescription Drug Rider Plan:** [2 Tier Copay Plan [\$3-\$20/\$10-\$20]] [3 Tier Copay Plan [\$3-\$20/\$10-\$75/\$10-\$100] ] [3 Tier Copay + Coins Plan [\$3-\$20/\$10-\$40/\$10-\$60 + 20%]]

[4 Tier Copay Plan [\$3-\$20/\$10-\$75/\$10-\$100/\$10-\$200]]

[4 Tier Copay Plan [\$3-\$20/\$10-\$100/\$10-\$200/100%]]

[Mail Order Drug [30-102 day supply]] [1,2, 3 Copayments] [None] [Other][Value Formulary][Standard Formulary]

*[Based on actuarial review, this drug benefit option [is] [is non-]creditable to the standard Medicare Part D prescription coverage.]*

### PPO Optional Benefits:

[[Inpatient Copay [\$50-\$1000] [None]]	Maternity [Elected] [Declined]
[Office Visit Copayment [\$20-\$50] [None] ]	[Blue Card]
[Primary/Specialty Office Visit Copayment [\$20-\$50/\$25-\$100]]	[ER Copayment [\$50 -\$500] ]
Supplemental Accidental Endorsement [Elected] [Declined]	[Air Ambulance \$10,000]

### Arkansas Mandated Offer Benefit Riders:

#### You Must Elect or Reject Each Rider

Mammography [Elect] [Reject]	[Substance Abuse [Elect] [Reject]]
[Psychiatric Condition [Elect] [Reject]]	TMJ* [Elect] [Reject]
[Hearing Aid [Elect][Reject]]	[Mental Health Parity [Elect][Reject]]

*\*Rejection of the TMJ Benefit Rider means covered benefits provided to Covered Persons will not include temporomandibular Joint disorders (TMJ) or craniomandibular disorders.*

### [Life, AD&D and STD Coverage]

[ \$15,000 - \$500,000 Group Life and AD&D ] [ STD [1-15/4-15/13-26] [\$50-\$1500 Flat] [Other]]\* [None]]

*[\*Must have life coverage to be eligible for STD.]*

[Life and AD&D benefits reduce 33 1/3% of the pre-age 65 amount at age 65 and 70, and terminate at retirement. An employee must be actively at work on his effective date for his life and AD&D insurance to take effect. STD coverage is non-contributory and requires 100% participation to meet eligibility guidelines.]

[USable Life is an independent company and operates separately from Arkansas Blue Cross and Blue Shield. USable Life does not sell or service Arkansas Blue Cross Blue Shield products. USable Life is solely responsible for life insurance. [Life, AD&D and STD is provided through USable Life.]]

**[Term Life and AD&D through USable Life is not Provided.]**

**[SECTION 4.] BENEFIT SELECTION (CONTINUED)****[Rates]**

If there is an agent or broker involved in this coverage transaction they may receive compensation from Arkansas Blue Cross and Blue Shield, or one of its affiliates, for his or her services related to the placement of this coverage. Any such compensation is included in the premium paid by the covered person. For more information on the compensation involved in this transaction, please direct your inquiry to the agent or broker.

**[COMPREHENSIVE MAJOR MEDICAL (CMM)]**

**REQUESTED EFFECTIVE DATE, PENDING APPROVAL IS:** \_\_\_\_\_

Effective Date is [first of the month][fifteenth of the month] following the Waiting Period

[Is Waiting Period for Initial Enrollment Waived? [Yes][No] ]

[Date of Open Enrollment \_\_\_\_\_]

*[If a month is not specified, the Group's Open Enrollment will be the month prior to the Group's renewal date.]*

Class	Class Description	Waiting Period	Contribution
		[0 – 12 months] [other]	Employee    %    Dependent    %

*Note: The Employer must pay a minimum of 50% of the Employee premium. This Policy may be terminated by the company if the Policyholder fails to contribute the percentage of Employees' premium specified above.*

**Maximum Dependent Age [26-27]****Mandated Mental Health Parity [Yes][No]**

Please indicate whether a HRA, or mechanisms utilized to reduce the employee's portion of health plan costs, is either in place or planned to be purchased. **[Yes][No]**

Rates offered for this plan are contingent on assertions submitted by the insurance applicant (or its agent) that there is no HRA or other funding mechanism in place, nor intent to purchase such an arrangement. Upon evidence to the contrary, the group health plan is subject to termination.

<b>Deductible:</b>	[\$100 - \$5,000]	[Deductible Carryover [Yes / No] ]
<b>Family Deductible :</b>	[2 - 3] per family	Basis: [Accumulated – Fulfillment]
<b>Coinsurance:</b>	[100%-20%]	
<b>Individual Calendar Year Coinsurance Max:</b>	[\$0 - \$10,000] [Other]	
<b>Family Calendar Year Coinsurance Max:</b>	[2-3] per family	Basis: [Accumulated – Fulfillment]
<b>Lifetime Maximum:</b> Unlimited		

**Prescription Drug Rider Plan:** [2 Tier Copay Plan [\$3-\$20/\$10-\$20]] [3 Tier Copay Plan[\$3-\$20/\$10-\$75/\$10-\$100]]

[3 Tier Copay + Coins Plan [\$3-\$20/\$10-\$40/\$10-\$60 + 20%] ]

[4 Tier Copay Plan [\$3-\$20/\$10-\$75/\$10-\$100/\$10-\$200]] [4 Tier Copay Plan [\$3-\$20/\$10-\$100/\$10-\$200/100%]]

[Mail Order Drug [30-102 day supply] ] [1,2, 3 Copayments] [None] [ Other][Value Formulary][Standard Formulary]

*[Based on actuarial review, this drug benefit option [is] [is non -]creditable to the standard Medicare Part D prescription coverage]*

**CMM Optional Benefits:**

Maternity [Elected] [Declined]	[Air Ambulance \$10,000]
Supplemental Accidental Endorsement [\$300 - \$500] [Elected] [Declined]	

**Arkansas Mandated Offer Benefit Riders:****You Must Elect or Reject Each Rider**

Mammography [Elect] [Reject]	[Substance Abuse [Elect] [Reject]]
[Psychiatric Condition [Elect] [Reject]]	TMJ* [Elect] [Reject]
[Hearing Aid [Elect] [Reject]]	[Mental Health Parity [Elect][Reject]]

\*Rejection of the TMJ Benefit Rider means covered benefits provided to Covered Persons will not include temporomandibular joint disorders (TMJ) or craniomandibular disorders.

**[SECTION 4.] BENEFIT SELECTION (CONTINUED)****[Life, AD&D and STD Coverage]**

[ \$15,000 - \$500,000 Group Life and AD&D ] [ STD [1-15/4-15/13-26] [\$50-\$1500 Flat] [Other]]\* [None]]

*[\*Must have life coverage to be eligible for STD.]*

[Life and AD&D benefits reduce 33 1/3% of the pre-age 65 amount at age 65 and 70, and terminate at retirement. An employee must be actively at work on his effective date for his life and AD&D insurance to take effect. STD coverage is non-contributory and requires 100% participation to meet eligibility guidelines.]

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**[Term Life and AD&D through USable Life is not Provided.]**

**[Rates]**

If there is an agent or broker involved in this coverage transaction they may receive compensation from Arkansas Blue Cross and Blue Shield, or one of its affiliates, for his or her services related to the placement of this coverage. Any such compensation is included in the premium paid by the covered person. For more information on the compensation involved in this transaction, please direct your inquiry to the agent or broker.

**[PREFERRED PROVIDER ORGANIZATION (PPO)]**

**REQUESTED EFFECTIVE DATE, PENDING APPROVAL IS:** \_\_\_\_\_

Effective Date is [first of the month][fifteenth of the month] following the Waiting Period.

[Is Waiting Period for Initial Enrollment Waived? [Yes][No] ]

[Date of Open Enrollment \_\_\_\_\_]

*[If a month is not specified, the Group's Open Enrollment will be the month prior to the Group's renewal date.]*

Class	Class Description	Waiting Period	Contribution
		[0 – 12 months] [other]	Employee % Dependent %

Note: The Employer must pay a minimum of 50% of the Employee premium. This Policy may be terminated by the company if the Policyholder fails to contribute the percentage of Employees' premium specified above.

**Maximum Dependent Age [26-27]****Mandated Mental Health Parity [Yes][No]**

Please Indicate whether a HRA, or mechanisms utilized to reduce the employee's portion of health plan costs, is either in place or planned to be purchased. **[Yes][No]**

Rates offered for this plan are contingent on assertions submitted by the insurance applicant (or its agent) that there is no HRA or other funding mechanism in place, nor intent to purchase such an arrangement. Upon evidence to the contrary, the group health plan is subject to termination.

<b>Deductible:</b>	[ \$50 - \$5,000 ]	[Deductible Carryover [Yes / No] ]
<b>Family Deductible :</b>	[2 - 3] per family	Basis: [Accumulated – Fulfillment]
<b>Coinsurance:</b>	[100%-70% / 80%-50%]	
<b>In-Network Calendar Year Coinsurance Max:</b>	[\$0 - \$10,000] [Other]	
<b>Family Calendar Year Coinsurance Max:</b>	[2-3] per family	Basis: [Accumulated – Fulfillment]
<b>Out-of-Network Calendar Year Coinsurance Max:</b>	[\$0 - \$20,000] [Unlimited]	
<b>Lifetime Maximum:</b>	Unlimited	

**Wellness:** [Traditional][Declined][Health Care Reform]

**Prescription Drug Rider Plan:** [2 Tier Copay Plan [\$3-\$20/\$10-\$20]] [3 Tier Copay Plan [\$3-\$20/\$10-\$75/\$10-\$100] ]

[3 Tier Copay + Coins Plan [\$3-\$20/\$10-\$40/\$10-\$60 + 20%]]

[4 Tier Copay Plan [\$3-\$20/\$10-\$75/\$10-\$100/\$10-\$200]]

[4 Tier Copay Plan [\$3-\$20/\$10-\$100/\$10-\$200/100%]]

[Mail Order Drug [30-102 day supply]] [1,2, 3 Copayments] [None] [Other] [Value Formulary][Standard Formulary]

*[Based on actuarial review, this drug benefit option [is] [is non-]creditable to the standard Medicare Part D prescription coverage.]*

**PPO Optional Benefits:**

[Inpatient Copay [\$50-\$1000] [None]]	Maternity [Elected] [Declined]
[Office Visit Copayment [\$20-\$50] [None] ]	[Blue Card]
[Primary/Specialty Office Visit Copayment [\$20-\$50 / \$25-\$100] ]	[ER Copayment [\$50 -\$500] ]
Supplemental Accidental Endorsement [Elected] [Declined]	[Air Ambulance \$10,000]

**[SECTION 4.] BENEFIT SELECTION (CONTINUED)****Arkansas Mandated Offer Benefit Riders:****You Must Elect or Reject Each Rider**

Mammography [Elect] [Reject] [Substance Abuse [Elect] [Reject]] [Mental Health Parity [Elect][Reject]]

[Psychiatric Condition [Elect] [Reject]] TMJ\* [Elect] [Reject] [Hearing Aid [Elect][Reject]]

*\*Rejection of the TMJ Benefit Rider means covered benefits provided to Covered Persons will not include temporomandibular joint disorders (TMJ) or craniomandibular disorders.***[Life, AD&D and STD Coverage]**

[\$15,000 - \$500,000 Group Life and AD&amp;D] [STD [1-15/4-15/13-26] [\$50-\$1500 Flat] [Other]]\* [None]]

*[\*Must have life coverage to be eligible for STD.]*

[Life and AD&D benefits reduce 33 1/3% of the pre-age 65 amount at age 65 and 70, and terminate at retirement. An employee must be actively at work on his effective date for his life and AD&D insurance to take effect. STD coverage is non-contributory and requires 100% participation to meet eligibility guidelines.]

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**[Rates]**

If there is an agent or broker involved in this coverage transaction they may receive compensation from Arkansas Blue Cross and Blue Shield, or one of its affiliates, for his or her services related to the placement of this coverage. Any such compensation is included in the premium paid by the covered person. For more information on the compensation involved in this transaction, please direct your inquiry to the agent or broker.

**[BLUE~BY~DESIGN HSA]****REQUESTED EFFECTIVE DATE, PENDING APPROVAL IS:** \_\_\_\_\_

Effective Date is [first of the month][fifteenth of the month] following the Waiting Period.

[Is Waiting Period for Initial Enrollment Waived? [Yes][No] ] [Date of Open Enrollment \_\_\_\_\_]

*[If a month is not specified, the Group's Open Enrollment will be the month prior to the Group's renewal date.]*

Class	Class Description	Waiting Period	Contribution
		[0 – 12 months]	Employee % Dependent %
		[other]	

Note: The Employer must pay a minimum of 50% of the Employee premium. This Policy may be terminated by the company if the Policyholder fails to contribute the percentage of Employees' premium specified above.

**Maximum Dependent Age [26-27]****Mandated Mental Health Parity [Yes][No]**

Please Indicate whether a HRA, or mechanisms utilized to reduce the employee's portion of health plan costs, is either in place or planned to be purchased. **[Yes][No]**

Rates offered for this plan are contingent on assertions submitted by the insurance applicant (or its agent) that there is no HRA or other funding mechanism in place, nor intent to purchase such an arrangement. Upon evidence to the contrary, the group health plan is subject to termination.

**[Annual HSA Contribution by Tier:]**

Employee Only: Employee/Spouse: Employee/Child: Family:

**HSA Contribution Frequency:** [Annual] [Monthly] [Semi-Monthly]**Deductible:**

Individual In-Network:	[\$1,200*-\$6,000]	[Aggregate-Embedded]	Family In-Network:	[\$2,400*-\$10,800]
Individual Out-of-Network:	[\$2,400-\$10,800]	[Aggregate-Embedded]	Family Out-of-Network:	[\$4,800-\$21,600]

**Coinurance**

In-Network	[80%-100%]	Out-of-Network	[60%-80%]
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**Calendar Year Coinurance Max:**

Individual In-Network:	[\$0-\$10,000*]	[Aggregate-Embedded]	Family In-Network:	[\$0 - \$20,000*]
Individual Out-of-Network	[\$8,000 – Unlimited]	[Aggregate-Embedded]	Family Out-of-Network	[\$16,000 – Unlimited]

*\*Adjusted annually for inflation each January 1, in accordance with the provisions of Section 223 of the Internal Revenue Code of the United States of America as amended*

**Lifetime Maximum:** Unlimited **Wellness:** [Traditional][Declined][Health Care Reform]**Optional Benefits:**

Maternity [Elected] [Declined] [Air Ambulance \$10,000]

[Blue Card]



## [SECTION 4.] BENEFIT SELECTION (CONTINUED)

**Drug Coverage:** [Standard Formulary - Subject to Deductible [+ Coinsurance]] [Value Formulary – Subject to Deductible + Coinsurance] [Essential Care Formulary - Subject to Deductible [+ Coinsurance]] [No Coverage]

*[Based on actuarial review, this drug benefit option [is] [is non-] creditable to the standard Medicare Part D prescription coverage.]*

### Arkansas Mandated Offer Benefit Riders:

#### You Must Elect or Reject Each Rider

Mammography [Elect] [Reject] [ Substance Abuse [Elect] [Reject]] [Mental Health Parity [Elect][Reject]]

[Psychiatric Condition [Elect] [Reject]] TMJ\* [Elect] [Reject] [Hearing Aid [Elect][Reject]]

*\*Rejection of the TMJ Benefit Rider means covered benefits provided to Covered Persons will not include temporomandibular joint disorders (TMJ) or craniomandibular disorders.*

#### [Life, AD&D and STD Coverage]

[\$15,000 - \$500,000 Group Life and AD&D] [STD [1-15/4-15/13-26] [\$50-\$1500 Flat] [Other]]\* [None]]

*[\*Must have life coverage to be eligible for STD.]*

[Life and AD&D benefits reduce 33 1/3% of the pre-age 65 amount at age 65 and 70, and terminate at retirement. An employee must be actively at work on his effective date for his life and AD&D insurance to take effect. STD coverage is non-contributory and requires 100% participation to meet eligibility guidelines.]

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**[Term Life and AD&D through USABLE Life is not Provided.]**

#### [Rates]

If there is an agent or broker involved in this coverage transaction they may receive compensation from Arkansas Blue Cross and Blue Shield, or one of its affiliates, for his or her services related to the placement of this coverage. Any such compensation is included in the premium paid by the covered person. For more information on the compensation involved in this transaction, please direct your inquiry to the agent or broker.

## [SECTION 5.] ATTESTATIONS

There are a number of federal regulations that impact small group business owners, either in requirements to provide health plan benefits or the types of benefits that must be offered. Our goal is to assist you in meeting these requirements, to help us accomplish this we ask that each small group business owner provide us with answers to the questions below.

**COBRA** - Group health plans for employers with 20 or more employees on more than 50% of the business days in the previous calendar year are subject to Cobra. Employers are required to provide qualified beneficiaries an election period during which the beneficiary can elect to continue coverage under the guidelines. We offer the services of a vendor, "Ceridian", to assist you in administering Cobra (no additional cost). Both full time and part time employees are counted to determine if a plan is subject to Cobra. Each part-time employee counts as a fraction of an employee, with the fraction equal to the number of hours worked divided by the number of hours used to determine full time status.<sup>1</sup>

**(Yes\_\_)(No\_\_)** Under the governmental guidelines the group health plan is subject to Cobra, meeting the criteria for 20 or more employees.

**(Yes\_\_)(No\_\_)** If yes, do you wish to use the services of Ceridian?

If no, who will administer Cobra for you? \_\_\_\_\_

**Maternity** - The Pregnancy Discrimination Act of 1978 requires health plans with 15 or more employees to cover pregnancy, childbirth and related conditions. With Arkansas Blue Cross Blue Shield products, we offer maternity coverage as a "rider" for those groups with fewer than 15 employees. In order to ensure we include maternity if required, please answer the question below:

**(Yes\_\_)(No\_\_)** Do you have 15 or more employees, counting both full time and part time employees?

**Medicare Secondary Payer** - If you have employees who are over 65 and enrolled in Medicare, Medicare will pay as "primary" if you have less than 20 employees (note that other criteria may apply as well). If Medicare is primary, we will offer lower "group health plan" rates to your employees who are over 65 and have their Medicare card, but not if Medicare is secondary. The count of employees is determined on whether or not you employed 20 or more full time and part time employees each working day of 20 or more calendar weeks during the current or the previous calendar year.

**(Yes\_\_)(No\_\_)**<sup>2</sup> Under the governmental guidelines discussed above, the group health plan will result in Medicare being the secondary payer, due to meeting the criteria for 20 or more employees as defined above.

## [SECTION 5.] ATTESTATIONS (CONTINUED)

**Mental Health Parity** - An amendment to the Mental Health Parity and Addiction Act of 2008, set to go into effect on October 3<sup>rd</sup>, 2009 will require that certain group health plans and health insurance issuers offer coverage to the same extent for mental health and/or substance abuse disorders as they provide for health coverage. This law does not apply to small group employers, defined as those with no more than 50 full time and part time employees based on the average of the business days in the preceding calendar year.<sup>3</sup>

If the health plan is subject to "Mental Health Parity", the benefits that must be offered will be richer compared to our current plans, with accompanying adjustments in rates. If not required by law to offer mental health parity, the small employer can decide to maintain the current benefit or elect to move to mental health parity as an option.

(Yes\_\_\_) (No\_\_\_) Under the governmental guidelines above the group health plan is subject Mental Health Parity, meeting the criteria for more than 50 employees.

**Medical Loss Ratio** - The determination of Large and Small Groups is based upon the average number of employees employed by the employer on business days during the proceeding calendar year. The Public Health Services Act §2791(e) provides

(1) The term "large employer" means, in connection with a group health plan with respect to a calendar year and a plan year, an employer who employed an average of at least 51 employees on business days during the preceding calendar year and who employs at least 2 employees on the first day of the plan year.

(2) The term "small employer" means, in connection with a group health plan with respect to a calendar year and a plan year, an employer who employed an average of at least 1 but not more than 50 employees on business days during the preceding calendar year and who employs at least 1 employees on the first day of the plan year.

The policyholder is a \_\_\_ large employer \_\_\_ small employer (check one).

**[Grandfather Status** - Our records indicate that your health plan [is not] [is] grandfathered.

**Please confirm if you agree with the grandfathered status as indicated above.**

\_\_\_ Yes, I agree with the status as shown

\_\_\_ No, I disagree with the status as shown because \_\_\_\_\_

**[Non-discrimination Rule** - Our records indicate that your health plan is 'Non-Grandfathered' therefore discrimination based on waiting periods and contribution is prohibited by Section 2716 of the Public Health Services Act:

[Please select one waiting period for your enrollees:

\_\_\_ (Class A: )

\_\_\_ (Class B: ) ]

[Please select one contribution for your enrollees:

\_\_\_ Contribution

\_\_\_ Contribution ] ]

<sup>1</sup> COBRA Handbook 2009, ¶4.03[E][2]; 26 CFR §54.4980B-2 Q/A 5(e).

<sup>2</sup> 42 CFR §411.170.

<sup>3</sup> This method of determining group size may be modified by federal MHP regulations expected late in 2009.]

**[SECTION 6. ] EMPLOYEE INFORMATION, MINIMUM NUMBER OF INSURED EMPLOYEES & MINIMUM PARTICIPATION REQUIREMENTS.**

*Under the Medicare Secondary Payer Rules, it is the Employer's responsibility to annually inform Arkansas Blue Cross of proper employee counts for the purpose of determining payment priority between Medicare and Arkansas Blue Cross. Arkansas Blue Cross is required to furnish these counts to the Centers for Medicare and Medicaid Services (CMS).*

<b>Full-Time</b> = means an active employee with a minimum of 30 hrs/week & 48 weeks/year	<b>In State</b>	<b>OUT OF STATE</b>	<b>TOTAL</b>
Full-Time Employees enrolling (including those satisfying their waiting period within 3 months after the effective date):			
Full-Time Employees waiving (including those satisfying their waiting period within 3 months after the effective date):			
COBRA Continuees (Enrolling)			
Life ONLY Contracts			
Total Enrolling and Waiving			
[New Full-Time Employees who will NOT satisfy the Waiting Period within 3 months after the eff. Date:]			
Part Time / Seasonal / Temporary Employees			
Total # of Employees			

**Minimum Number of Insured Employees.** [To meet small group enrollment guidelines a group must have at least two full-time enrolled employees, of which no more than 50% may reside in the same household.] [To meet large group enrollment guidelines a group must have at least fifty-one full-time enrolled employees. Groups whose enrollment subsequently drops below fifty-one enrolled must be rated as a small group upon renewal]

**Minimum Participation Requirements.** If an employer pays 100% of the employee-only premium, 100% of all full-time employees must be insured. If an employer pays less than 100% of the premium, employees covered through other comprehensive major medical-type coverage may be waived from the eligibility count. 75% of all eligible employees without waivers must be insured, and no less than 50% of the full-time employees must enroll.

**This Policy may be terminated by the Company if the number of insured Employees falls below the minimum number of insured Employees specified above or if the percentage of eligible Employees of the Policyholder covered by the Policy becomes less than the percentage of Employee participation specified above.**

[Special Group Considerations Form # \_\_\_\_\_, Description \_\_\_\_\_]

**[SECTION 7.] [SECURED EMPLOYERS WEBSITE]**

[Our records indicate that you are currently utilizing the Secured Employer Web Site and we hope that site is useful in the administration of your group health plan. We are always looking for feedback and to assist you with the site if needed, our email address is [ewssupport@arkbluecross.com](mailto:ewssupport@arkbluecross.com) or call us toll free at 1-800-800-5641.

Web Administrator: \_\_\_\_\_ Email Address: \_\_\_\_\_]

[Our records indicate that you signed up for the Secured Employer Web Site but have not visited the site and registered to utilize the web functionality. If you need assistance activating your registration, lost the link or need to change the web administrator we can help. Our toll free phone number is 1-800-800-5641 and our email address is [ewssupport@arkbluecross.com](mailto:ewssupport@arkbluecross.com).

Web Administrator: \_\_\_\_\_ Email Address: \_\_\_\_\_]

[ ☐ Yes ☐ No

We have a web site for our small group customers who wish to utilize a "secured" web site which has been very well received by the current users. The site is password protected and all that is required of the group is to have email capability. If you have internet access and wish to utilize the site please mark the "yes" box above, please mark the "no" box if you do not wish to utilize the site at this time.

If you have selected to use the site, please fill in the name of the person who you are designating as "Web Administrator" along with their email address. We will automatically forward a link to this individual shortly after processing this renewal. The link will allow the person to set up their log-on ID and password. In addition to the link, they will receive a guide with detailed instructions on how to use the website.

Web Administrator: \_\_\_\_\_ E-mail Address:]

**[SECTION 8.] SIGNATURES**

This Application is made and delivered in the State of Arkansas and is governed by the laws of Arkansas and the United States of America. This Application is incorporated in and made a part of the Group Policy and Benefit Certificate.

[I hereby apply for the above referenced coverage and agree the group insurance, subject to the terms and conditions of the policies applied for, will take effect as of the next available effective date after approval, provided this application is approved and the premium is received by the home office of Arkansas Blue Cross and Blue Shield. **I also understand that my signature below represents my agreement and acceptance of the premium rate schedule.**]

[I hereby renew the above referenced coverage and agree the group insurance, subject to the terms and conditions of the policies renewed, will take effect as of the renewal date, provided this application is approved and the premium is received by the home office of Arkansas Blue Cross and Blue Shield. **I also understand that my signature below represents my agreement and acceptance of the premium rate schedule.**]

[I understand the Life and Accidental Death & Dismemberment coverage is provided through a policy issued to the Trustee of the US Able Life Group Insurance Trust, and I hereby [apply for][renew] participation in said trust, which is insured by US Able Life. A copy of the trust policy is maintained in US Able Life's home office in Little Rock, Arkansas and is subject to examination by participating employers.]

**Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in connection with an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.**

**1. Policyholder**

Signed at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_  
(City, State)

\_\_\_\_\_  
[full legal name of Policyholder]

By:

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title or Position

**2. Agent**

I hereby certify that all of the information contained in this employer application is correct to the best of my knowledge, and I know nothing unfavorable about this firm or any individual proposed for coverage (except as noted on the employee applications). I have complied with the underwriting rules and regulations and have explained in detail the coverage to the member firm and its employees including the preexisting condition limitations and the qualifications of the effective date provisions. I understand that Arkansas Blue Cross and Blue Shield will have no liability until this application has been approved and the premium is received.

\_\_\_\_\_  
Agent Signature

\_\_\_\_\_  
Insurance License #/Agency Fed. Tax ID#

\_\_\_\_\_  
Agent Printed Name

\_\_\_\_\_  
Date